Business Transformation Update

Presentation to

FY06 Managers' Internal Control Program Conference

December 2, 2005

We have established…

- DoD Business Enterprise Clarity: The corporate level requirements for business execution at DOD
- Horizontal Business Transformation Focus: Optimizing end-to-end processes, not policy office stovepipes.
- Business Alignment to Warfighter Needs: Aligning to the mission of the department, and using this alignment to drive urgency.
- Capabilities, not Systems, as Deliverables: Systems follow business requirements – resetting expectations.
- Accountability: Establishment of BTA to unify our efforts (resources, funding, leadership) at DOD level business

BEA Progress

	Where we were	Where we are
Accountability	Centralized at OSD	Tiered
Organizational Span	DoD-wide	5 Core Business Missions
Scope	All DoD Business Functions	6 Business Enterprise Priorities
Focus	Architecture as the objective	Warfighter Mission Support Outcome Based
Program Alignment	No Accountable Programs for Implementation of BEA	Fully Aligned to ETP
Investment Alignment	None	Foundation for Investment Decisions
Concurrenc	None	Collaboration/Creation by CBMs via BEPs, Approved by

ETP Progress

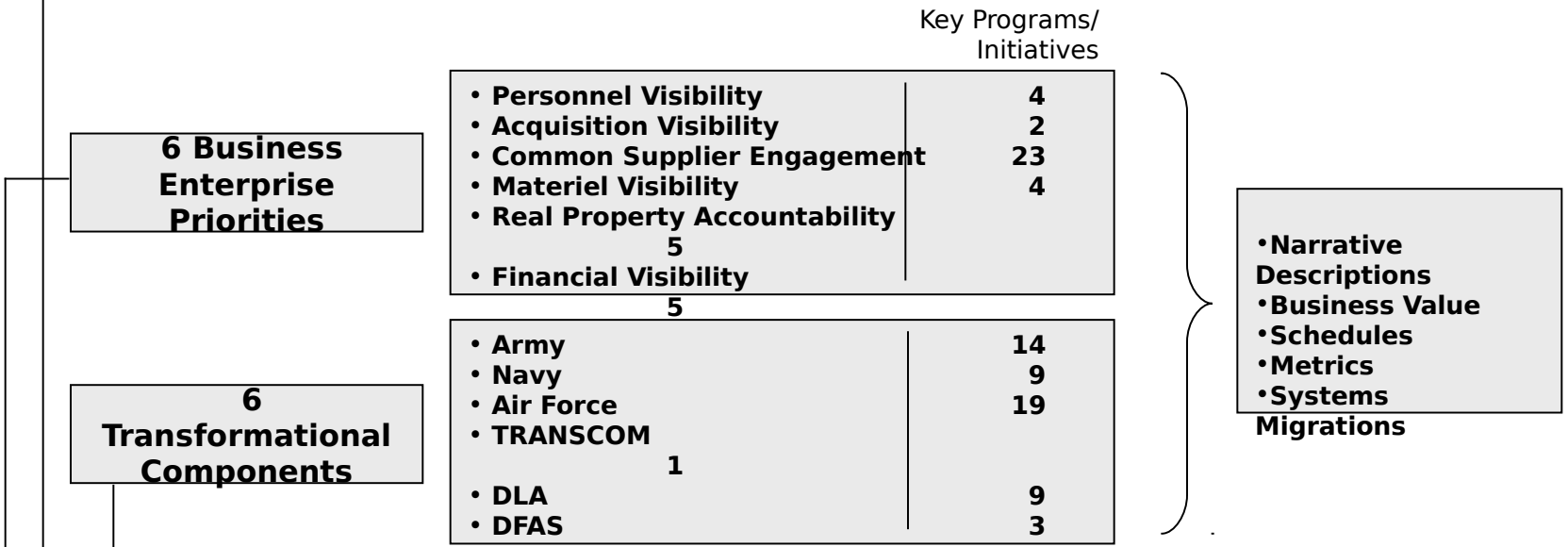
	Where we were	Where we are
Accountability	USD-Comptroller	Tiered
Organizational Span	Not clear	5 Core Business Missions 6 Components
Scope	Not clear	6 Business Enterprise Priorities 30 Component Priorities
Focus	Unqualified Audit System Reductions	Warfighter Mission Support Financial Accountability
Programs	No Accountable Programs Assigned	43 Enterprise Programs 55 Component Programs
Investment Alignment	None	$4.2 Billion FY06 (Budget for Target Programs)
Concurrence	None	All DBSMC members

Governance and IRB Progress

	Where we were	Where we are
Accountability	Self nominated submission; no means to identify noncompliance; withhold penalty levied “after the fact”	Tiered Accountability; strong compliance oversight; ADA penalty for non-compliance
Management	No prioritization of investment reviews; one size fit all regardless of program size	Thresholds (Tiers 1, 2, 3, 4) align review rigor to program significance
Process Alignment	Many separate Domain investment review processes; none clearly defined or aligned to other major DoD processes	IRB process now aligned with JCIDS, Defense Acquisition System, PPB&E processes
Governance	OSD only; governance not clearly defined and not aligned to Chain of Command;	IRB/DBSMC
Process	Seven separate and different IRB processes	One standard IRB process; standard review criteria
Processing Time	~6 months	Less than 2 months
Leadership	Infrequent PSA participation; no official Component representation	DEPSECDEF and SES/Flag level oversight; Components represented

Enterprise Transition Plan (ETP)_

Integrated Business Transformation Story



Integrated Cost Picture ($ Millions)

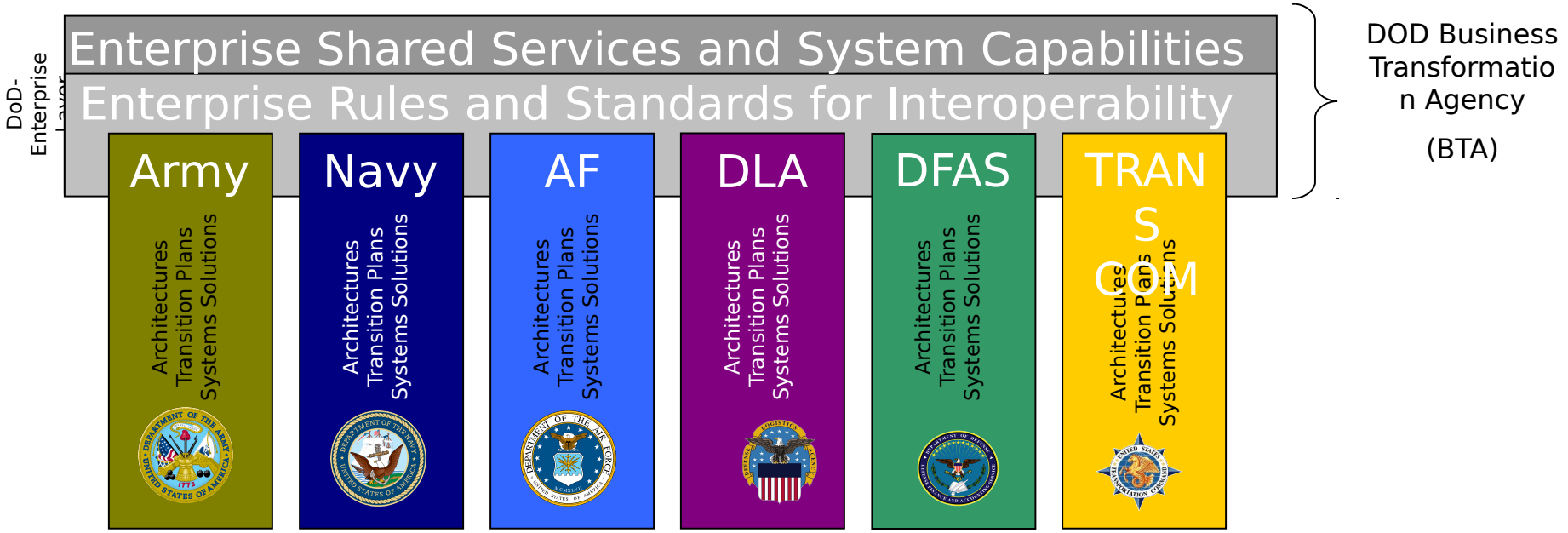
	FY04 & Earlier	FY05	FY06	FY07	Total
Enterprise	2,750.9	575.5	744.4	707.0	4,777.8
Components	9,503.4	3,169.9	3,482.6	3,494.2	19,650.0
TOTAL	12,254.3	3,745.4	4,227.0	4,201.2	24,427.9

Current DoD Enterprise Systems & Initiatives

PV Personnel Visibility	AV Acquisition Visibility	CSE Common Supplier Engagement	MV Materiel Visibility	RPA Real Property Accountability	FV Financial Visibility
CHCS-II	*DAMIR*	CPARS	*IUID*	*ELRV&RR*	BEIS
DCPDS	USXPORTS	*DBSE*	*MEV*	*HMPC&IMR*	DCAS
DIMHRS		DoD EMALL	*MILS to EDI or XML*	*RPAR*	*IGT*
DTS		EDA	*RFID*	*RPIR*	*PB Framework*
		Federal IAE		*RPUID*	*SFIS*
		-CCR			
		-EPLS			
		-eSRS			
		-FBO			
		-FedReg			
		-FedTeDS			
		-FPDS-NG			
		-ORCA			
		-PPIRS			
		-WDOL			
		CC-SF44			
		SPS			
		Strategic Sourcing			
		-ARM Pilot			
		-ASAS			
		-e-STRATS			
		WAWF			

System
Initiative

Tiered Accountability



The DoD-Enterprise layer provides the thin "backbone" layer of common services required for full Departmental interoperability.

Components design and implement their own solutions within the framework of DoD-Enterprise rules and standards.

We are establishing the Defense Business Transformation Agency to execute DOD Enterprise Level Transformation.

BTA Responsibilities

Establishing Priorities – Support the DBSMC and Personal Staff Assistants (PSAs) in their efforts to define Department-wide business transformation goals and objectives.

Investment Control – Support to the IRB / certification process optimizing the investment and ensuring statutory compliance.

Transformation Tools – Assemble and integrate the Business Enterprise Architecture and Transition Plan.

Program Execution – Provide program management discipline delivering the “thin” layer of “corporate” services to the Department.

Tactical Business Support – Bridge the gap between busi

Support, Integration, Coordination

Program Execution - DBSAE

- Delivery of DoD-Enterprise layer programs and capabilities (the "thin layer") will be managed through the office of the DBSAE.
  - Ensures consistency of service delivery across the entire Department.
  - Programs assigned to the DBSAE office are determined by the DBSMC.
  - Only Enterprise-wide solutions are candidates for oversight by the DBSAE.
  - Execution of Component programs will remain with the programs.
  - Works within the Defense Acquisition System.

Program Management Discipline Delivering the Thin Layer of "Corporate" Services

Current Component Systems and Initiatives

Department of the Army

- ACBIS
- AIM
- DLS
- eMILPO
- FBS
- FCS-ACE
- GCSS-A
- GFEBS
- LMP
- RCAS
- STEM
- TC-AIMS II
- VIS
- VISION

Department of the Navy

- *AIT*
- *EA-21*
- GCSS-MC
- *MC FII*
- Navy Cash
- Navy ERP
- *NMCI*
- NTCSS
- TFAS

Department of the Air Force

- ACES
- ADLS
- *AFIR&I*
- AFRISS
- DEAMS-AF
- EBS
- ECSS-IL
- EESOH-MIS
- *ERL*
- ETIMS
- FIRST
- *FM-SDM*
- MPES-DP
- NAF-T
- *OSMP*
- *PERS TRANS*
- *PM&O*
- *Sourcing*
- *T&E*

Defense Logistics Agency

- BSM
- BSM-Energy
- CFMS
- *CRM*
- *DLA IDE*
- DPMS
- *P3I*
- *PDMI*
- RMP

U.S. Transportation Command

- DEAMS (USTRANSCOM)

Defense Finance and Accounting Service

- *Disb HPO*
- *EC*
- FCP

System
Initiative